

§ 58-31A-20. State Public Education Property Insurance Fund; decrease of premiums when fund reaches five percent of total insurance in force.

(a) There is established a State Public Education Property Insurance Fund (Fund) as a special fund in the State treasury for the purpose of providing a reserve against property loss of public education boards. The State Treasurer shall be the custodian of the Fund and shall invest its assets in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3. All funds paid over to the State Treasurer by the Commissioner for premiums on insurance by public education boards and all money received from interest or from loans and deposits and from any other source connected with the insurance of the property shall be held by the State Treasurer in the Fund for the purpose of paying all insurable hazards for which the Fund shall be liable and the expenses necessary for the proper conduct of the insurance of such property, together with such premiums for reinsurance that the Commissioner may deem necessary to reinsure as provided by this Article.

(b) When the balance of the Fund reaches the sum of five percent (5%) of the total insurance in force, then annually thereafter the Commissioner shall proportionately decrease the premiums on insurance to an amount which will be sufficient to maintain the Fund at five percent (5%) of the total insurance in force, and in the event in the judgment of the Commissioner the income from the investments of the Fund are sufficient to maintain the same at five percent (5%) of the total insurance in force, no premium shall be charged for the ensuing year. However, no public education board shall cease to pay premiums until five annual payments of premiums have been made on a building or property insured whether or not through such payments the Fund shall be increased beyond five percent (5%) of the total insurance in force, unless such building or property shall cease to be insurable under this Article within such five-year period. (2019-176, s. 3(b).)